

Geographic Labour Mobility – Causes and Consequences

av

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AKADEMISK AVHANDLING

**som med vederbörligt tillstånd för vinnande av
filosofie doktorsexamen vid
Handelshögskolans fakultet, Göteborgs universitet,
framlägges till offentlig granskning
fredagen den 16 januari 2009, kl 10, i sal E-43,
Institutionen för nationalekonomi med statistik, Vasagatan 1**

Göteborg 2009

Abstract

This thesis consists of three self-contained chapters. The first chapter studies the *causes* of internal migration, the second studies the earnings *effects* of internal migration, and the third analyses what *could be perceived as an effect* of mobility but is in fact not.

Chapter 1: The Mobility of Immigrants and Natives: Evidence from Internal Migration Following Job Displacement

Human capital migration theory presents two conflicting hypotheses on immigrant mobility. One is based on immigrants having less location-specific human capital, reducing the costs of migration and increasing the probability of migration. The other is based on ethnicity: immigrants living in ethnic enclaves have higher costs of leaving the enclave, reducing the probability of migration. This paper disentangles and finds support for both hypotheses using high-quality data on a wide range of human capital, family and labour market variables, as well as on previous migration of essentially all individuals involuntarily displaced due to closures or substantial cutbacks of Swedish workplaces in 1987 and 1988.

Chapter 2: Does Migration Pay? Earnings Effects of Geographic Mobility Following Job Displacement

Displaced workers are followed for ten years in order to analyse the earnings effects of internal migration. I utilise a large dataset containing all workers in Sweden who were involuntarily displaced from work due to closures or substantial cutbacks of Swedish workplaces in 1987 or 1988. The effects are investigated controlling for human capital, family and labour market characteristics. Substantial gender differences in earnings effects of internal migration are found: men generally have positive effects, while the consequences for women are negative.

Chapter 3: They seek it here, they seek it there, they seek it everywhere. But where is employment found?

This paper uses a unique possibility to link unemployed individuals' stated willingness to move with administrative data, giving us the possibility to analyse the effects of mobility on labour market outcome. Furthermore, we can do this not only for those who actually move, but also for non-movers. I find that those who extend their search area in job search geographically do have a higher probability of escaping unemployment. However, this positive effect is not only present for jobs outside the local labour market, as would be expected, but the greatest effect is found on the *local* labour market. This indicates positive selection; i.e. it is not so much the increased geographic scope per se that increases the likelihood of escaping unemployment, but mainly differences in unobservable characteristics between those who choose to use a larger search area and those who do not.

Keywords: geographic mobility, internal migration, job displacement, ethnic enclaves, unemployment, job search, search scope, earnings effects, gender differences, immigrants, selection

JEL codes: C33, C41, D83, J31, J61, J63, J64, J65, R23

ISBN: 91-85169-39-0 (978-91-85169-39-9)

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